

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

TABLE OF CONTENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
Schedule of Functional Expenses	6
Notes to the Financial Statements.....	7
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Internal Control Over Financial reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14
Independent Auditor's Report on Compliance for Each Major State Project and Internal Control Over Compliance Required by <i>Chapter 10.650 Rules of the Auditor General</i>	16
Schedule of Expenditure of State Financial Assistance.....	18
Schedule of Findings and Questioned Costs.....	19
Management Letter.....	20

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Council on Compulsive Gambling, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of *Florida Council on Compulsive Gambling, Inc.* (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Florida Council on Compulsive Gambling, Inc.* as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of State financial assistance, as required by *Chapter 10.650, Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, on our consideration of *Florida Council on Compulsive Gambling, Inc.*'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of *Florida Council on Compulsive Gambling, Inc.*'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering *Florida Council on Compulsive Gambling, Inc.*'s internal control over financial reporting and compliance.

Keith Altman Company, P.A.

Maitland, Florida
December 7, 2021
Firm License Number: AD0000278

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

ASSETS

Assets

Cash and cash equivalents	\$ 2,410,456
Property and equipment, net	1,120,473
Accounts receivable	412,440
Investments	301,651
Prepaid expenses	11,514
Total Assets	<u><u>\$ 4,256,534</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accrued expenses	\$ 70,150
Accounts payable	17,577
Capital lease obligation	6,836
Total Liabilities	<u>94,563</u>

Net Assets

Without donor restrictions	<u>4,161,971</u>
Total Liabilities and Net Assets	<u><u>\$ 4,256,534</u></u>

See accompanying notes to financial statements.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Net Assets Without Donor Restrictions

Revenue and other support:	
State of Florida, Department of Business and Professional Regulation	\$ 1,250,000
Seminole Tribe of Florida	1,500,000
Gain on forgiveness of PPP loan	117,500
Interest income	12,185
Other	7,703
Total Revenue and Other Support	<u>2,887,388</u>

Expenses

Program services:	
HelpLine and treatment services	617,691
Advertising services	464,042
Community outreach services	267,418
Research	249,776
Responsible gambling program services	221,062
Supporting services:	
Management and general	783,567
Total Expenses	<u>2,603,556</u>

Changes in Net Assets 283,832

Net Assets - Without Donor Restrictions at June 30, 2020 3,878,139

Net Assets - Without Donor Restrictions at June 30, 2021 \$ 4,161,971

See accompanying notes to financial statements.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

Operating Activities:	
Cash provided from grants	\$ 3,168,650
Cash provided from other	19,888
Cash paid to employees for services	(848,623)
Cash paid for services	<u>(1,698,796)</u>
Net Cash Provided by Operating Activities	<u>641,119</u>
Investing Activities:	
Maturities of investments	250,000
Net investment activity	8,024
Purchases of property and equipment	<u>(39,816)</u>
Net Cash Provided by Investing Activities	<u>218,208</u>
Financing Activities:	
Payments on capital lease obligation	<u>(3,046)</u>
Net Cash Used in Financing Activities	<u>(3,046)</u>
Net Increase in Cash and Cash Equivalents	856,281
Cash and Cash Equivalents, Beginning of Year	1,554,175
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,410,456</u></u>

See accompanying notes to financial statements.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Program Services						Supporting Services	Total
	HelpLine and Treatment Services	Advertising Services	Community Outreach Services	Research	Responsible Gambling Program Services	Total	Management and General	
Salaries, Wages, and Fringe Benefits								
Salaries and Wages	\$346,532	\$ 53,265	\$ 53,265	\$ 56,455	\$ 60,665	\$ 570,182	\$ 112,616	\$ 682,798
Health Benefits	14,579	14,579	14,579	14,579	14,579	72,895	24,299	97,194
Payroll Taxes and Related Expenses	7,040	7,040	7,040	7,040	7,040	35,200	11,733	46,933
Retirement	1,252	1,252	1,252	1,252	1,252	6,260	18,775	25,035
Total Salaries, Wages, and Fringe Benefits	<u>369,403</u>	<u>76,136</u>	<u>76,136</u>	<u>79,326</u>	<u>83,536</u>	<u>684,537</u>	<u>167,423</u>	<u>851,960</u>
Operating Expenses								
Professional Fees	56,894	56,894	56,894	56,894	56,894	284,470	533,412	817,882
Advertising/Outreach	6,750	293,068	13,610	6,750	6,750	326,928	11,250	338,178
Program Services	145,387	-	-	-	-	145,387	-	145,387
Program Evaluation/Monitoring	1,313	-	-	68,862	-	70,175	23,392	93,567
Administrative Expenses and Other	12,079	12,079	12,079	12,079	12,079	60,395	26,748	87,143
Community Education	-	-	82,834	-	-	82,834	-	82,834
Telephone/Translation	8,785	8,785	8,785	8,785	8,785	43,925	4,881	48,806
Responsible Gambling Program	-	-	-	-	35,938	35,938	-	35,938
Insurance	6,095	6,095	6,095	6,095	6,095	30,475	376	30,851
Postage	1,091	1,091	1,091	1,091	1,091	5,455	606	6,061
Payroll Processing Expense	900	900	900	900	900	4,500	1,501	6,001
Travel	609	609	609	609	609	3,045	-	3,045
Equipment Rental and Maintenance	413	413	413	413	413	2,065	689	2,754
Total Operating Expenses	<u>240,316</u>	<u>379,934</u>	<u>183,310</u>	<u>162,478</u>	<u>129,554</u>	<u>1,095,592</u>	<u>602,855</u>	<u>1,698,447</u>
Total Expenses Before Depreciation Expense	<u>609,719</u>	<u>456,070</u>	<u>259,446</u>	<u>241,804</u>	<u>213,090</u>	<u>1,780,129</u>	<u>770,278</u>	<u>2,550,407</u>
Depreciation Expense	7,972	7,972	7,972	7,972	7,972	39,860	13,289	53,149
Total Expenses	<u>\$617,691</u>	<u>\$ 464,042</u>	<u>\$ 267,418</u>	<u>\$ 249,776</u>	<u>\$ 221,062</u>	<u>\$ 1,819,989</u>	<u>\$ 783,567</u>	<u>\$ 2,603,556</u>

See accompanying notes to financial statements.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Florida Council on Compulsive Gambling, Inc. (the “Organization”) is a non-profit organization and its mission is dedicated to increasing public awareness of problem and compulsive gambling and advocating services and treatment support for those adversely affected by gambling. The Organization provides various services including outreach, education, training, and referral services to clinics and individuals, families, friends, and employers for treatment and awareness through operation of a 24-hour problem gambling helpline and other programs, including conferences, trainings, and population specific program development and production.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Financial Statement Presentation

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

Financial statement presentation follows Accounting Standards Codification (“ASC”) Topic 958-205, Financial Statement for Not-For-Profit Organizations. Under ASC Topic 958-205, the Organization is required to report information regarding its financial position and activities as follows:

- **Without Donor Restrictions** – Net assets are not subject to donor-imposed stipulations
- **With Donor Restrictions** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restrictions assets are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions. There are no amounts reported as With Donor Restrictions as of June 30, 2021.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The Organization places its cash and cash equivalents on deposit or in money market accounts with a financial institution in the United States. Accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) or the Securities Investor Protection Corporation (“SIPC”) up to \$250,000. Management does not believe the risk of uninsured loss due to bank failure to be significant.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

Investments consist of certificates of deposit which are held with a financial institution that provides SIPC coverage. Investments are reported at fair value. Investment income and any realized or unrealized gains and losses are included in the change in net assets in the year they are earned.

Revenue and Expense Recognition

The Organization recognizes revenues, other support, and expenses on the accrual basis. The Organization's primary source of revenues are from contracts and grants from the State of Florida Department of Business and Professional Regulation ("DBPR") and the Seminole Tribe of Florida. Revenues and support from grants and contracts are generally recognized as eligible costs are incurred and/or required services are performed. Functional expenses are allocated between programs on the basis of specific identification, where possible, or management's best estimates.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as With Donor Restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting service categories based on management's best estimates of time spent or the benefits provided.

Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through December 7, 2021, which is the date the financial statements were available to be issued.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 FAIR VALUE OF INVESTMENTS

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs** – are quoted prices (unadjusted) for identical assets or liabilities in active markets that an organization can access at the measurement date.
- **Level 2 Inputs** – are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs** – are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, an organization should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

The Organization’s investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value in the hierarchy described above. The fair value measurements for the Organization’s investments were as follows at June 30, 2021:

<u>Investments by Fair Value Level</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of Deposit	\$ 301,651	\$ -	\$ 301,651	\$ -

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable substantially represents funds due under contract from the State of Florida, Department of Business and Professional Regulation, and/or the Seminole Tribe of Florida and are not collateralized. Management provides for probable uncollectible accounts using the reserve method based on its assessment of the current status of the individual receivables and after using reasonable collection efforts. As of June 30, 2021, no reserve for uncollectible accounts had been recorded.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment are valued at acquisition date and fair market value at date of donation. Assets are capitalized when the purchase price exceeds \$1,000 and the estimated useful life is more than one year. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed using the straight-line method based upon the estimated useful lives of assets, which range from between five to seven years. Depreciation expense was \$53,149 for the year ended June 30, 2021.

Property and equipment consists of the following:

Building and Improvements	\$ 732,013
Land	458,665
Computer Equipment	117,267
Furniture, Fixtures, and Equipment	<u>96,224</u>
	1,404,169
(Less Accumulated Depreciation)	<u>(283,696)</u>
Net Property and Equipment	<u>\$ 1,120,473</u>

NOTE 5 CONCENTRATIONS

A significant portion of the revenues and support generated by the Organization are funded through the DBPR and the Seminole Tribe of Florida. The Organization has executed a contract with the DBPR through June 30, 2024.

NOTE 6 RETIREMENT PLAN

The Organization sponsors a 401(k) Profit Sharing and Safe Harbor Plan (the "Plan"). The Plan is available to substantially all employees with one year service and 1,000 hours. Contributions by employees are made at the discretion of the employee. The Organization makes matching contributions to the Plan and has the ability to make additional contributions at its discretion. Employer contributions to the Plan were \$16,749 for the fiscal year ended June 30, 2021.

The Organization's former 401(k) Profit Sharing Plan (the "Former Plan") is involved in ongoing legal proceedings against the former Plan. See Note 7 for a description of legal matters involving the Plan.

NOTE 7 CONTINGENCIES

By terms of the Organization's contracts, certain funding agencies reserve the right to examine records relating to cost reimbursements. Management of the Organization does not anticipate adjustments being made for contracts in process as of June 30, 2021. Accordingly, no provision for liability has been recorded in the accompanying financial statements.

The Organization has paid legal fees related to the Former Plan and is seeking reimbursement from the Former Plan for those fees. The Organization is working with the Internal Revenue Service and the Department of Labor ("DOL") to resolve this matter; however, the ultimate resolution is uncertain at this time.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 CONTINGENCIES – continued

Subsequent to year end, the DOL filed a lawsuit against the Organization, the former Executive Director of the Organization, and the former President of the Organization seeking damages and injunctive relief for alleged violations of the Employee Retirement Income Security Act (“ERISA”), with respect to the Plan. The DOL asserts that the former members of management, during their service as Co-Trustees of the Plan, engaged in legally prohibited transactions that benefited an entity owned by the former President. The Organization is the named fiduciary of the Plan, and self-reported the ERISA violations it uncovered after learning of the actions committed by the former members of management during their service as Co-Trustees of the Plan. The Organization has previously taken remedial action to bring the Plan into compliance with ERISA. The Organization is aggressively defending the litigation. It is not clear whether the Organization will have any liability in connection with the DOL litigation.

The Plan, in turn, filed its own lawsuit against the former member of management for damages, and the Organization is also seeking damages against the former members of management for their conduct as officers of the Organization. In October 2021, all parties to the DOL litigation engaged in mediation in an attempt to resolve the matters. The Organization intends to continue negotiations with all parties to settle all claims in these cases. The Organization believes that a settlement is possible in the immediate future, and that the Organization will not be required to make any payments to the DOL for statutory penalties or to the Plan for losses incurred due to ERISA violations.

NOTE 8 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Organization’s Financial Assets, at June 30, 2021:	
Cash and Cash Equivalents	\$ 2,410,456
Short-term Accounts Receivable	412,440
Investments	<u>301,651</u>
Total Financial Assets	3,124,547
Less Those Unavailable for General Expenditures	
Within One Year, Due To:	
Contractual or Donors Imposed Restrictions:	
Restricted by Donors with Time or Purpose Restrictions	<u> -</u>
Organization’s Financial Assets Available to Meet	
Cash Needs for Expenditures within One Year	<u>\$ 3,124,547</u>

As part of the Organization’s liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 CAPITAL LEASE

On April 1, 2019, the Organization leased a copier under a capital lease expiring in May 2023. The economic substance of the lease is that the Organization is financing the acquisition of the asset through the lease and, accordingly, the lease is recorded as part of the Organization's assets and liabilities.

The following is a schedule of years of future minimum payments required under the lease together with its present value:

Year Ended June 30	Lease Payments
2022	\$ 3,791
2023	3,571
2024	-
2025	-
2026	-
Thereafter	-
Total Minimum Lease Payments	\$ 7,362
(Amounts Representing Interest)	(526)
Present Value of Minimum Lease Payments	\$ 6,836

The following is an analysis of the leased assets included in property and equipment:

	2021
Furniture, Fixtures, and Equipment	\$ 12,755
(Accumulated Depreciation)	(7,175)
Net Assets Under Capital Leases	\$ 5,580

Amortization of the leased equipment totaled \$3,189 for the year ending June 30, 2021, and is included in Depreciation Expense on the Statement of Functional Expenses. Interest expense incurred under the capital lease agreement was \$635 for the year ended June 30, 2021.

NOTE 10 NOTES PAYABLE

In April 2020, the Organization was granted a loan (the "loan") from a bank in the amount of \$117,500 pursuant to the U.S Small Business Administration's ("the SBA") Paycheck Protection Program ("the PPP") under the Coronavirus Aid, Relief, and Economic Security Act ("the Act"). During June 2021, the Organization was informed by their lender that the entirety of the PPP loan had been forgiven by the Small Business Administration. As a result, the Organization recognized a gain from loan forgiveness of \$117,500. This has been included in revenue and other support on the accompanying statement of activities. The Organization used guidance set forth under *ASC 470, Debt* and *ASC 835, Interest* to account for the extinguishment of the PPP loan.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Florida Council on Compulsive Gambling, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Council on Compulsive Gambling, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered *Florida Council on Compulsive Gambling, Inc.*'s internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of *Florida Council on Compulsive Gambling, Inc.*'s internal control. Accordingly, we do not express an opinion on the effectiveness of *Florida Council on Compulsive Gambling, Inc.*'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Florida Council on Compulsive Gambling, Inc.*'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of *Florida Council on Compulsive Gambling, Inc.*'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Altman Company, P.A.

Maitland, Florida

December 7, 2021

Firm License Number: AD0000278

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT
AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF
THE AUDITOR GENERAL**

The Board of Directors
Florida Council on Compulsive Gambling, Inc.

Report on Compliance for Each Major State Project

We have audited *Florida Council on Compulsive Gambling, Inc.*'s compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of *Florida Council on Compulsive Gambling, Inc.*'s major State projects for the year ended June 30, 2021. *Florida Council on Compulsive Gambling, Inc.*'s major State projects are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of *Florida Council on Compulsive Gambling, Inc.*'s major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Chapter 10.650, Rules of the Auditor General*. Those standards and *Chapter 10.650, Rules of the Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about *Florida Council on Compulsive Gambling, Inc.*'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of *Florida Council on Compulsive Gambling, Inc.*'s compliance.

Opinion on Each Major State Project

In our opinion, *Florida Council on Compulsive Gambling, Inc.* 's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended June 30, 2021.

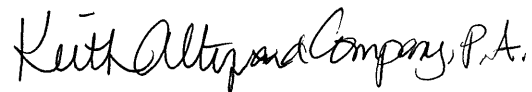
Report on Internal Control Over Compliance

Management of *Florida Council on Compulsive Gambling, Inc.* is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered *Florida Council on Compulsive Gambling, Inc.* 's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with *Chapter 10.650, Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of *Florida Council on Compulsive Gambling, Inc.* 's internal control over compliance.

A *deficiency in an internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Chapter 10.650, Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Maitland, Florida
December 7, 2021
Firm License Number: AD0000278

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED JUNE 30, 2021

<u>State Grantor</u>	<u>CSFA or Identifying Number</u>	<u>Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
Florida Department of Business and Professional Regulation:				
Program Title				
Division of Pari-Mutuel Wagering Compulsive or Addictive Gambling Prevention Program	79.006	19-00003	\$ <u>268,170</u>	\$ <u>1,250,000</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") presents the activity of all state financial assistance and state cost reimbursement contracts, as applicable, of the *Florida Council on Compulsive Gambling, Inc.* for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Because the Schedule presents only a selection portion of the operations of *Florida Council on Compulsive Gambling, Inc.*, it is not intended to and does not present the financial position, changes in net assets, or cash flows of *Florida Council on Compulsive Gambling, Inc.*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

FLORIDA COUNCIL ON COMPULSIVE GAMBLING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements of *Florida Council on Compulsive Gambling, Inc.*
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of non-compliance material to the financial statements of *Florida Council on Compulsive Gambling, Inc.* were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major state project were disclosed during the audit in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by the *Florida Single Audit Act*.
5. The auditor's report on compliance for the major state project for *Florida Council on Compulsive Gambling, Inc.* expresses an unmodified opinion.
6. There were no matters reported in the Management Letter required to be reported in accordance with the *Rules of the Auditor General of the State of Florida* ("AG"), Chapter 10.656.
7. The program tested as a major state project was the Division of Pari-Mutuel Wagering Compulsive or Addictive Gambling Prevention Program administered by the State of Florida Department of Business and Professional Regulation (CSFA 79.006).
8. The threshold for distinguishing Type A and B programs was \$375,000.

B. Findings - Financial Statements

There were no findings as described in AG, Rule 10.654(1)(h)4 that were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

C. Findings and Questioned Costs - Major State Projects

None.

D. Other Issues

No Summary Schedule of Prior Audit Findings (See AG Rule 10.656(3)(d)(5)) is required because there are no prior audit findings related to state projects.

MANAGEMENT LETTER

The Board of Directors
Florida Council on Compulsive Gambling, Inc.

Report on the Financial Statements

We have audited the financial statements of Florida Council on Compulsive Gambling, Inc. (the Organization) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 7, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Audit Requirements of Chapter 10.650, *Rules of the Auditor General of the State of Florida*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in accordance with the Chapter 10.650, *Rules of the Auditor General of the State of Florida*.

Disclosures in those reports and schedule, which are dated December 7, 2021, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), *Rules of the Auditor General of the State of Florida*, requires that we communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and State granting agencies, Board of Directors, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



Maitland, Florida

December 7, 2021

Firm License Number: AD0000278

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS